



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fulton Financial Corporation

Person to be contacted regarding this report:	Charles J. Nugent
CPP Funds Received:	\$376,500,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/23/2008
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1117129
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Lancaster
State:	Pennsylvania

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Fulton Financial Corporation, through its affiliate banks, continued to lend to customers under its existing underwriting policies and practices. The CPP funds were not required for this purpose.
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<input type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	
<input checked="" type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>The receipt of the CPP funds in 2008 and the growth in our deposits during 2009 provided Fulton Financial Corporation with a significant amount of liquidity. We increased our investment portfolio by \$543 million between December 31, 2008 and December 31, 2009.</p>
<input type="checkbox"/>	<p>Make other investments</p>	
<input type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>Fulton Financial Corporation provided reserves for nonperforming assets in accordance with generally accepted accounting principles. The receipt of the CPP funds had no impact on these reserves.</p>

<input checked="" type="checkbox"/>	Reduce borrowings	The receipt of the CPP funds in 2008 and the growth in our deposits during 2009 provided Fulton Financial Corporation with a significant amount of liquidity. As a result of this liquidity, we were able to decrease our other borrowings by \$1.0 billion during 2009.
<input type="checkbox"/>	Increase charge-offs	While Fulton Financial Corporation experienced increased loan charge-offs during 2009, those were strictly a result of application of generally accepted accounting principles and the impact of the economic environment on our loan customers and portfolio.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	As Fulton Financial Corporation was able to fund customer loan demand without these funds, they represented an increase in our total capital.

What actions were you able to avoid because of the capital infusion of CPP funds?

None

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

None

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

None